

STANDARD FORM 2  
FEBRUARY 1965 EDITION  
GENERAL SERVICES  
ADMINISTRATION  
FPR (41CFR) 1D16.601

**U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY**

DATE OF LEASE:

Oct 1, 2009

LEASE No. GS-11B-02112

THIS LEASE, made and entered into this date between **Transwestern Monument Randolph Square, LLC**  
**1700 K Street, N.W., Suite 600**  
**Washington, DC 20006**

whose address is

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the Government.

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WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

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1. The Lessor hereby leases to the Government the following described premises:

A total of 21,403 BOMA Rentable Square Feet (BRSF) (yielding approximately 18,096 BOMA Office Area Square Feet (BOASF)) located on a portion of the 2<sup>nd</sup> floor in the building known as Randolph Square, located at 2800 S. Randolph Street, Arlington, Virginia 22206 to be used for SUCH OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See Exhibit A – Floor plans of leased premises).

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing in accordance with the terms of Solicitation for Offers # 09-005 (SFO), including SFO Paragraph 3.17 and the attached project schedule, and General Clause 20, and continuing for 10 years from the commencement date.

3. The Government shall pay the Lessor annual rent of \$699,772.32 (\$32.6950577 /BRSF; \$38.67 /BOASF) at the rate of \$58,314.36 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: Transwestern Monument Randolph Square, LLC, 1700 K Street, N.W., Suite 600, Washington, DC 20006 or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of a portion of the monthly shell rent during the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> months of the lease term, in equal monthly amounts of \$36,038.27, for a total amount of \$108,114.81, as more fully set forth in Paragraph 6(E) below.

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4. Intentionally Deleted

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5. Intentionally Deleted

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All services, utilities, alterations, repairs, and maintenance, as well as any other right and privilege stipulated by this Lease, the SFO and its Attachments, are included in the rent.

B. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$761,555.06 (\$42.0841655/BOASF). Such Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor. This Tenant Improvement Allowance is included in the rent, with the \$42.0841655/BOASF being amortized at a rate of 0.9% over the ten-year Lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 0.9% amortization rate. A mutually agreed upon Supplemental Lease Agreement will be executed upon the Government's acceptance of the space as substantially complete that finalizes the rent using the final Tenant Improvement allowance utilized. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in SFO Paragraph 1.11 "Tenant Improvement Rental Adjustment" and Paragraph 3.1 "Tenant Improvements Pricing Requirements," with the understanding that bidding shall take place at the trade/subcontractor level. Any work items provided by the General Contractor, or for which there is not adequate competition at the trade/subcontractor level, shall be subject to the Government's review of cost and pricing data.

C. The parties hereby adopt and incorporate the project schedule attached hereto as Attachment K. The schedule shall commence upon execution of this Lease by the Government, at which time the Government shall provide its Program of Requirements ("POR"). Government delay shall not result in any adjustment in the rent commencement date notwithstanding the fact that the Government has yet to accept the space as substantially complete as of that date. In any event, the Government will not be required to accept space and commence rent before the date set forth in Paragraph 1.7 of the SFO. If Lessor delay occurs, the rent commencement date will be moved back one day for each day of Lessor delay. Delays by the county in issuance of a building permit after the Lessor has applied for a permit with all due diligence and delays by jurisdictional reviewers and inspectors in completing inspections necessary to issue the Certificate of Occupancy for the building will be considered excusable delay. Upon request, the Lessor agrees to provide the government a copy of the application for the permit. If the Lessor orders in a timely manner any long-lead items requested by the Government, then any delay related to the Lessor's receipt of such long-lead items shall be considered excusable delay. In the event that the Government fails in a timely manner to provide the Lessor its approval of such long-lead items, causing the Lessor's untimely receipt of such items, such delay in receipt shall be considered Government delay. The Lessor, if requested by the Government, will provide necessary documentation related to purchase of long-lead items. In the event of any excusable delays, the rent commencement date shall be moved back one (1) day for every two (2) days of excusable delay. Notwithstanding any Lessor delay or excusable delay, the rent commencement date shall not be moved back if the space is completed on or before the dates specified in Attachment K. Notwithstanding anything to the contrary contained in Paragraph 3.12 of the SFO, liquidated damages shall only be applicable to the extent that the Lessor delay causes the Lessor to fail to deliver to the Government possession of the entire leased premises on or before the date specified in Attachment K for final delivery of all of the leased premises. In the event of any conflict between the time periods set forth in Attachment K and the time periods set forth in SFO Paragraph 1.7 and 3.17, the time periods set forth in Attachment K shall govern.

D. The following limits on markups shall apply to all tenant improvements, including change orders: Offeror's General Contractor's fee shall not exceed 5%, Lessor's overhead and profit shall not exceed 5%, general conditions shall not exceed 5%, and architect and engineer fees shall not exceed 10% (not including any structural, blast resistance, or acoustical consulting). These markups are all subject to the right of the Government to reasonably negotiate individual markups based upon the actual scope of work of the requirement.

E. In accordance with Paragraph 1.13 "Broker Commission and Commission Credit" of the SFO, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of (b) (4) of the lease value for the ten (10) year firm term. The total amount of the commission is (b) (4). In accordance with Paragraph 1.13 of the SFO, Studley, Inc. has agreed to forego (b) (4) of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is (b) (4) and shall be paid as free rent in equal monthly installments of (b) (4) during months 1, 2, and 3 of the lease. The Lessor agrees to pay Studley, Inc., 555 13th Street, N.W., Suite 420 East, Washington, DC 20004, the Commission less the Commission Credit in the lump sum amount of (b) (4), which shall be due to Studley, Inc. upon execution of this Lease by the Government and payable within 30 days of the receipt of an invoice.

Notwithstanding Paragraph 3 of this Standard Form 2 ("SF2"), the shell portion of the rental payments due and

owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the 1<sup>st</sup> month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First (1<sup>st</sup>) Month's Rental Payment of (b) (4) minus prorated Commission Credit of (b) (4) equals (b) (4) adjusted First Month's Rent.

Second (2<sup>nd</sup>) Month's Rental Payment of (b) (4) minus prorated Commission Credit of (b) (4) equals (b) (4) adjusted Second Month's Rent.

Third (3<sup>rd</sup>) Month's Rental Payment of (b) (4) minus prorated Commission Credit of (b) (4) equals (b) (4) adjusted Third Month's Rent.

F. For purposes of Paragraphs 3.4(F) and 3.5 of the SFO, as of the date hereof, the Government's percentage of occupancy is 10.32%, based on occupancy of 21,403 BRSF in a building of 207,379 BRSF.

G. For purposes of Paragraphs 3.6 and 3.7 of the SFO, as of the date hereof, the operating cost base is (b) (4).

H. Pursuant to Paragraph 3.11 "Common Area Factor" of the SFO, the Add-On Factor is determined to be 1.1827475685, calculated as follows: 21,403 BRSF/18,096 BOASF.

I. Pursuant to Paragraph 1.4(D) of the SFO, the Warm Lit Shell Credit, which shall be applicable only to the BOMA office area portion of the leased premises, shall be \$14.90 per BOASF. The foregoing amount already reflects the value of certain completed building shell elements as agreed upon by the parties.

J. Pursuant to Paragraph 7.2 of the SFO, as part of the rental consideration set forth in Paragraph 3 of this SF2, services, utilities, and maintenance shall be provided daily, extending from 7:00 am to 6:00 pm, Monday through Friday, excluding Saturdays, Sundays and federal holidays ("Normal Hours Schedule"). Pursuant to Paragraphs 1.8(B)(12) and 7.3 of the SFO, overtime HVAC service shall be provided beyond the aforementioned Normal Hours Schedule, as follows: (1) Regularly scheduled overtime HVAC shall be provided daily to the entire leased premises, extending from 5:30 am to 7:00 am, Monday through Friday, excluding Saturdays, Sundays, and federal holidays ("Regularly Scheduled Overtime") at an annual rate of \$1,500.00, which shall be payable by the Government in lump sum separate and apart from the rent set forth in Paragraph 3 of this SF2; and (2) additional overtime beyond the above-referenced Normal Hours Schedule and Regularly Scheduled Overtime shall be provided at a rate of \$30.00 per hour per floor. A minimum of two hours shall be charged for each usage of hourly overtime that is not consecutive to the Normal Hours Schedule or the Regularly Scheduled Overtime. The foregoing overtime HVAC rates are inclusive of all labor, maintenance, service and engineering fees. Notwithstanding the hours of HVAC service, the Government shall have access to the leased space and appurtenant areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.

K. The Government shall have the continuing right, exercisable at any time throughout the lease term, to require that after-hours cleaning be converted to daytime cleaning at an additional cost of \$0.69/BOASF.

L. The adjustment to the rent for space previously occupied by the Government and then vacated shall be \$2.00 per BOASF.

M. SFO Paragraph 1.4(B) is hereby deleted in its entirety and the Lessor shall not be obligated to provide a shuttle service under this Lease.

N. Lessor shall ensure and provide as necessary, at Lessor's expense, all Fire and Life Safety improvements required by the SFO, as well as those recommended by GSA's fire and life safety specialists, and ensure that the building meets all local and national codes, including NFPA 101. Without limiting the foregoing, Lessor agrees to make improvements specified as part of the "Attachment #2 - Fire and Life Safety Report" and as recommended by GSA fire safety review. All improvements must be made prior to the Government's acceptance of space. Upon request of the Government, Lessor agrees to furnish an updated "Attachment #2 - Fire Protection and Life Safety Evaluation" prior to the Government's acceptance of space.

O. Lessor's satisfaction of the fiber connection requirements set forth in SFO Paragraph 1.4(A) of Lease No. GS-11B-02005 (the "Original Lease") shall also satisfy the fiber connection requirements set forth in SFO Paragraph 1.4(A) of this Lease. If the Government requires equipment, wiring, or other items to provide the requested service

to the leased premises in excess of that required under the Original Lease, then the Lessor will provide such items at the Government's sole cost and expense.

P. Throughout the term of the lease, the Government, including Government employees occupying the leased premises, shall be entitled to use at least 55 unreserved parking spaces in the building's adjacent structured parking garage free of charge.

Q. The Government hereby agrees that the existing finished ceiling height of 20' in the main entrance lobby and 10' in the main elevator lobby, the existing freight elevator, the swing doors, and the existing restroom toilet and lavatory fixtures/finishes are acceptable; provided that all applicable building codes and regulatory requirements are met. Any corrective measures required to bring the foregoing items into compliance with applicable building codes and regulatory requirements shall be provided by Lessor at its sole cost and expense.

R. The Government's failure to provide the POR by the date of the Government's execution of this Lease will constitute a Government delay, which Government delay will be governed by Paragraph C of this SF2. The POR shall be prepared at the sole cost and expense of the Government.

S. Notwithstanding anything to the contrary contained in Paragraph 3.17.F of the SFO, the Lessor is required to complete the Tenant Improvements by the date specified therefor in the Construction Schedule except in the event of a Government delay, which shall be governed by Paragraph C of this SF2. The time required for the Government to install its systems furniture is included in such period, and any failure by the Government to install such systems furniture within the timeframes set forth in the Construction Schedule will be considered Government delay, which shall be governed by Paragraph C of this SF2.

T. The security clauses included in Part 9 of the SFO correspond with the designation of the leased premises as a Level II facility under the ISC Security Standards for Leased Space. The Lessor shall comply with all of the clauses in Part 9 of the SFO, including but not limited to the provision of shatter resistant window protection. In the event that the Government increases the security Level to a Level III or Level IV, the Lessor will not be required to provide any security for the leased premises in excess of that required to be provided in the Original Lease, as amended, except that the Lessor shall continue to provide shatter resistant window protection to the leased premises under this lease. The parties hereby adopt and incorporate by reference herein the Addendum attached to the Original Lease, a copy of which is attached hereto as Attachment L.

U. In the event of a conflict between this SF2 and any other documents that comprise the Lease, the SF2 shall govern.

7. The following are attached and made a part hereof:

- A. Exhibit A - Floor Plans of the Leased Area, 1 page
- B. Solicitation For Offers No. 09-005, 49 pages
- C. Attachment #1 - Rate Structure, 1 page
- D. Attachment #2 Fire Life Safety Evaluation - 11 pages
- E. Pre-Lease Building Security Plan, 9 pages
- F. Seismic Certification, 15 pages
- G. GSA Form 1217 - Lessor's Annual Cost Statement, 1 page
- H. GSA Form 3517 - General Clauses, 33 pages
- I. GSA Form 3518 - Representations and Certifications, 7 pages
- J. Small Business Subcontracting Plan, 16 pages
- K. Project Schedule, 2 pages
- L. Addendum to Lease, 2 pages

8. The following changes were made in this lease prior to its execution:  
Paragraphs 4 and 5 have been deleted in their entirety.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

Lessor: **Transwestern Monument Randolph Square, LLC a Delaware limited liability company**

By: Transwestern Randolph Square, LLC, its Manager

By: (b) (6)  
Bradley S. Beile, its Managing Director

IN PRESENCE  
OF (b) (6)

ADDRESS

150 N. Walker Dr., #800 Chicago, IL 60606

UNITED STATES OF AMERICA

BY (b) (6)  
CONTRACTING OFFICER

# 6158604\_v6